



Sri Lanka: Northern Province Sustainable Fisheries Development Project (PDA)

Project Name	Northern Province Sustainable Fisheries Development Project (PDA)		
Project Number	49325-003		
Country / Economy	Sri Lanka		
Project Status	Closed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan 6011-SRI: Northern Province Sustainable Fisheries Development Project (PDA)		
	Concessional ordinary capital resources lending		US\$ 1.30 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development / Fishery		
Gender			
Description	<p>The Northern Province Sustainable Fisheries Development Project will support investments to revive the fisheries sector in the conflict affected coastal districts of Jaffna, Mannar, Mullaitivu, and Killinochchi. Investments are required to (i) rebuild large scale infrastructure, such as harbors, anchorages, and associated facilities, (ii) introduce new fishery technologies, (iii) expand aquaculture sustainably (iv) strengthen community based organizations and related institutions, and (v) develop economic activities for households headed by women, war widows and single women. The is aligned with the following impacts: (i) investments in the fishery subsector promoted, and (ii) employment and livelihood opportunities in the Northern Province promoted. The outcome will be fishery production and livelihood opportunities in four coastal districts of the Northern Province increased. The proposed outputs will be: (i) Marine fisheries infrastructure constructed; (ii) Aquaculture developed; and (iii) entrepreneurial skills, market links and credit access for local communities; and capacities of government staff strengthened;. The Project Design Advance supports the preparation of detailed designs and procurement for output 1.</p>		

Project Rationale and Linkage to Country/Regional Strategy	<p>Thirty years of conflict, a devastating tsunami in 2004, and multiple civilian displacements over the years have crippled the economy and disrupted livelihoods in the Northern Province. Since the cessation of hostilities in 2009, the province is showing signs of economic recovery. The province's contribution to the country's gross domestic product rose from 3.2% in 2008 to 4.2% in 2016. Although the incidence of poverty in the province declined from 30% in 2010 to 7.7% in 2016, it remains the highest among the nine provinces. The two districts with the highest incidence of poverty in the country are Kilinochchi at 18.2% and Mullaitivu at 12.7%; this compares with 4.1% nationally.</p> <p>The conflict caused widespread social vulnerability and economic instability in the Northern Province. Most of the internally displaced people were resettled by 2012, and about 7,650 families remain to be resettled on their original lands. Some of the returnees have been displaced from their original lands for more than 15 years. Of the 377,600 families in the province, 63,345 are headed by women.</p> <p>Fishery was heavily impacted. Fishing vessels, equipment, and related infrastructure were damaged or destroyed. Fishery societies, once the strength and pride of the northern fishers, ceased to function. Prior to escalation of the conflict in 1983, the province, which has 40% of the country's coastline, recorded a marine fish catch of 75,740 tons accounting for 40% of the national total. In 1995, that figure dropped to an all-time low of 4,500 tons. Once security restrictions on access to coastal waters were lifted in 2009 and the industry received support for its revival, the province's produce increased to 75,470 tons in 2016. However, this is just 16.5% of the national total.</p> <p>Importance of fisheries: Although at the national level, fishery's contribution to Sri Lanka's gross domestic product at constant prices is only 1.3% annually, it plays a vital role in meeting the population's basic nutritional and livelihood needs. The industry contributes about 53% of the animal protein in the national diet and provides livelihoods to more than 1.5 million people (about 7.5% of the population). The government plans to increase the annual per capita fish consumption from 15.7 kilograms (kg) to 22 kg (footnote 5). Current fish production for the domestic market falls short of the consumption needs, and the country imports 70,000120,000 tons annually.</p> <p>Constraints to the expansion of fishery in the Northern Province: Of the 1.2 million inhabitants in the province, 45,680 households with a population of about 205,610 are engaged in marine fishery (footnote 3). Since 2009, the government and development partners have supported the recovery of the industry by (i) providing boats, engines, and nets; (ii) rebuilding infrastructure; (iii) reestablishing the cooperative societies; and (iv) providing credit. The provision of boats resulted in a significant increase in near-shore coastal fishing, causing concerns about overexploitation of the resources. Given this threat, the Government of Sri Lanka plans to harness the full potential from the deep seas by expanding offshore fisheries.</p> <p>Offshore fisheries: Offshore fisheries have hardly developed in the Northern Province. Inability to venture into the deep seas because of the conflict, lack of harbor facilities, lack of technical skills, and insufficient capital to invest in multi-day boats have limited the development. Although some of the fishers have since purchased multi-day boats, the lack of harbor facilities remains a hindrance. While Sri Lanka has 21 operational fishery harbors, the Northern Province has none. Moreover, the lack of proper facilities at existing landing sites and ill-equipped fishing vessels have led to post-harvest losses of about 40%.</p> <p>Aquaculture: The aquaculture industry in Sri Lanka has been growing since the 1980s, but in the Northern Province it is still in its infancy. The province offers some of the best sites for the development of high-value aquaculture products for export. Cultivation of sea cucumbers and seaweed, crab fattening, and sea bass farming are currently being piloted in the province with support from the private sector. The two significant issues that hinder successful production at present are the need for (i) access to a regular supply of juvenile 'seed stock', and (ii) practical technical training for aquaculture practitioners.</p> <p>Village infrastructure and livelihoods: Improvements to the road and railway network have reconnected the Northern Province with the rest of the country. This resulted in greater access to markets and promoted private sector investments. Many public and private banks opened offices in the province and with it access to financial services. Despite this enabling environment, more investments and stronger skills development are required to help rebuild village infrastructure and improve livelihoods. Concurrently, the conflict-affected community also requires psycho-social trauma support.</p> <p>Government's strategy: The government's policy document, Vision 2025, recognizes the importance of the fishery industry to promote employment and livelihood opportunities in the Northern Province. Vision 2025 and the Public Investment Program (2017-2020) identify the need to improve fishery harbors and related infrastructure, ensure food security, and improve the living status of fishing communities. The Government of Norway is supporting the government in undertaking a stock assessment survey because the last comprehensive survey was done in 1979-1980. The government has requested Asian Development Bank (ADB) support to help rebuild the fisheries industry, which provides livelihoods for more than 45,000 families in the Northern Province.</p> <p>Value added by ADB assistance: Based on ADB's experience in working in post-conflict areas and lessons from past interventions, the proposed project adopts a conflict-sensitive approach to stakeholder participation and engagement. The project design also (i) makes use of the project design advance for the first time in Sri Lanka to undertake detailed designs; (ii) includes the first seaweed tissue culture laboratory and the first coastal aquaculture training and development center in Sri Lanka; and (iii) incorporates climate-change-resilient measures.</p> <p>The project is consistent with ADB's goals in the agriculture and natural resources sector, of which fishery is a subsector, as articulated in its country partnership strategy, 2018-2022 for Sri Lanka, and supports the key pillar of improving the quality of growth by promoting inclusiveness. It is also aligned with the key priorities of promoting the management of natural resources and increasing productivity and resilience. The project complements other ADB-funded post-conflict developments.</p>
Impact	<p>'Nutritional status and food security improved (Ten Year Development Policy and Framework of the Fisheries and Aquatic Resources Sector. 2007-2016*)</p> <p>Incomes of fisher communities improved (Ten Year Development Policy and Framework of the Fisheries and Aquatic Resources Sector. 2007-2016*)</p>

Project Outcome	
Description of Outcome	Fisheries production in the Northern Province sustainably increased
Progress Toward Outcome	Detailed designs are completed. Incorporating Community concerns in PPD designs is at final stage. Outcome will be achieved only upon completion of the ensuing loan. Government is still reviewing if this project will be considered for ADB financing.

Implementation Progress	
Description of Project Outputs	Climate-resilient infrastructure developed and operational Aquaculture developed Entrepreneurial skills, market links, and credit access for local communities including women are strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	These will be achieved only if government considers taking this project forward.
Geographical Location	Jaffna District, Kilinochchi District, Mannar District, Mullaitivu District

Safeguard Categories	
Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	NA
Involuntary Resettlement	NA
Indigenous Peoples	NA

Stakeholder Communication, Participation, and Consultation	
During Project Design	Stakeholders are being consulted and will continue to be consulted.
During Project Implementation	

Business Opportunities	
Consulting Services	One firm was recruited under QCBS with 90:10 for details engineering design of fishery harbors, anchorages and landing sites. Two international consultants were recruited to validate the details design and IEEs.
Procurement	Not Applicable
Responsible ADB Officer	Halgamage Don, Sudarshana Anojan Jayasundara
Responsible ADB Department	South Asia Department
Responsible ADB Division	Sri Lanka Resident Mission (SLRM)
Executing Agencies	Ministry of Fisheries and Aquatic Resources (formerly Ministry of Fisheries and Aquatic Resources Development and Rural Economic Affairs)
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	08 Mar 2017
Last Review Mission	-
Last PDS Update	13 Mar 2020

Loan 6011-SRI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
08 Mar 2017	17 Mar 2017	20 Mar 2017	01 Jun 2018	31 May 2020	12 Oct 2020

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	1.30	Cumulative Contract Awards			
ADB	1.30	17 Jun 2022	0.88	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	0.88	0.00	100%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	Satisfactory	-	Satisfactory

Project Page	https://www.adb.org/projects/49325-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49325-003
Date Generated	09 March 2024

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.